

Remarks of

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Before the

**BOOKER T. WASHINGTON BUSINESS ASSOCIATION
76TH Annual Anniversary & Awards Banquet**

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**THE NATIONAL BUSINESS LEAGUE
A Strategy for Re-Emergence**

¹ *Revised for publication -11-30-06*

Good evening. On behalf of the President of the United States and the U.S. Secretary of Commerce Carlos M. Gutierrez, it is my great privilege and high honor to address the Booker T. Washington Business Association 76th Annual Anniversary & Awards Banquet.

To the honorees, I extend my congratulations. I am particularly honored to be in the presence of Abraham “Abe” Veneable, former Director of MBDA, upon whose shoulders I stand today.

My primary purposes this evening are: **1)** to make the business case of why Minority Business Enterprise is a National Priority, **2)** to focus your attention on the critical importance of fostering “*business-to-business linkages*”, and **3)** to challenge the National Business League to pursue a “***Strategy of Re-Emergence.***”

In the words of Dr. Booker T. Washington, the founder of Tuskegee College and the National Negro Business League (National Business League);

“One cannot find today a race or a nation that stands erect, secure in the appreciation, respect, and confidence of the world that did not have its foundation in ownership of the soil, in bank accounts, in habits of thrift and economy and in business enterprise.”

Minority Business Enterprise: The National Priority-Making the Business Case

During 2006, the MBDA joined with the U.S. Census Bureau to release the preliminary results of the *2002 Survey of Business Owners*. It is generally agreed the news about the state of Minority Business Enterprise is **positive!** Specifically, the trend and trajectory of Minority Business Enterprise growth in the number of firms and increase in revenues is positive and upward. The *Survey of Small Business Owners* (SBO) notes Minority Business Enterprises (MBEs) had out-paced the rate of growth for firms and revenues of all U.S. businesses. Here is a quick summary:

The number of all U.S. firms grew 10%

- The number of Black-owned firms grew -- 45%
- The number of Hispanic-owned firms grew -- 31%
- The number of Asian-owned firms grew -- 24%
- The number of women-owned firms grew -- 20%
- The number of Hawaiian and Pacific Islanders-owned firms grew -- 67%²

The receipts of all U.S. firms grew 22%

- Receipts for Black-owned firms grew -- 30%
- Receipts for women-owned firms grew -- 16%
- Receipts for Hispanic-owned firms grew -- 22%
- Receipts for Asian-owned firms grew -- 13%

I am pleased to note the **dramatic growth** of Black business *firms* from 823,500 in 1997 to 1.2 million firms in 2002 (up 45%).

Again, what this tells us is increasingly, more minorities are seeing themselves as *business owners* capable of providing products and services, competing in the marketplace and generating wealth for their families and their communities. The 2002 SBO data provides validation of President Bush's vision of an **"ownership society."**

This is not only cause for celebration, but equally significant it is recognition the growth and expansion of MBEs is important to the nation's economic strength and global competitiveness.

The Bush Administration will continue to pursue pro-growth policies that foster an environment which encourages entrepreneurship. This pro-growth strategy encourages business tax credits, lower interest rates, the elimination of capital gains tax, energy incentives to enhance the preservation of precious natural and environmental resources, federal procurement and contracting initiatives, and the promotion of new trade opportunities through business-to-business linkages with emerging economies in Africa, Asia and Central America.

² **Note:** This is the first time U.S. Census has isolated demographic data (SMOBE-SBO) on Hawaiian and Pacific islanders separate from the Asian grouping. Therefore, this data may appear skewed.

THE CHALLENGE

The national statistics reveal between now and 2050; the fastest growing segment of the U.S. population will be among minorities. Equally significant is the growth in the U.S. labor force will largely come from the minority segments of the population. Much of this minority growth will be fueled by immigration. The United States will once again become a *nation of immigrants*. The difference will be the immigration will be comprised of people of color. The challenge for the United States is to embrace the demographic change.³

Some will fear this change. I say, let us embrace and welcome the change. Some will complain about the burden and costs of immigration or the shifting of minority populations to majority status in some states.

I say the positive rewards of inclusion, diversity and the growth of Minority Business Enterprise will far outweigh the negative externalities based upon fear and ignorance.

More than any other country in the world, it is a fact the United States looks and speaks like every other country in the world. This is our strength and competitive advantage in a 21st Century world-wide economy.

National Economic Data

The American Economy remains strong and continues to grow. The economic outlook remains positive. According to recent economic data, nationally, "... there were 51, 000 jobs in September, and the unemployment rate dropped to 4.6 percent. This follows the addition of 188,000 jobs in August. The economy has created more than 1.7 million jobs over the past 12 months. Since August 2003, more than 6.6 million jobs have been created—more jobs than all the other major industrialized countries combined. This is 810,000 jobs than the previously estimated." [October 6, 2006]⁴

³ See: Comments by Dr. Matthew Slaughter and Dr. Andrew B. Bernard, Tuck School of Business and National Bureau of economic Research, in: *The Life Cycle of a Minority Owned Business: Implications for the American Economy*, National Minority Business Enterprise Week, 2004 Conference, Washington, D.C.

⁴ Job Creation Continues – White House Office of Communication, 10-6-06.

I fully recognize in the Mid-West, and especially in Michigan, the auto industry is facing challenges [I am from Iowa. I share your concern]. You have faced similar challenges before, and have come out of them stronger. I know it is very tough in the auto and related industries. However, do not lose sight of the President's vision of an ownership society. Do not take lightly his vision to pursue an environment that fosters the creation of wealth through tax cuts to sustain economic growth, home ownership, new energy technologies and a secure homeland.

I firmly believe like the President, and the Secretary of Commerce, a pro-business, pro-growth strategy is our best hope for a future of prosperity.

II. Business-to-Business Linkages: The Opportunities

The *challenge* MBEs face today is the reluctance to recognize the United States is fully engaged in the world-wide economy. Too many of us still define our neighborhood and our community as a five to ten-mile radius from our front door.

The challenge MBEs must embrace is you have a vital and integral role to play in the 21st Century world-wide economy. MBEs must prepare to compete in the 21st Century economy. Preparation means positioning yourself for accessing capital. Preparation means understanding the value and importance of financial literacy, (understanding how to excel at running the back room of your business).

I am very pleased to learn about the formation of the African Business Alliance here in Detroit. I applaud your efforts and encourage you to pursue business-to-business alliances to compete in the 21st global economy.

THE NATIONAL BUSINESS LEAGUE: Strategy of Re-Emergence

I would like to revisit my remarks made at Tuskegee University in October of 2004. At Tuskegee I made the following comments:

“Looking back to the vision of Dr. Booker to Washington’s focus on business enterprise development and the establishment of the National Negro Business League, there is no question in my mind the League is as essential today as it was in 1900. In fact, it is more critical today to have a viable National Business League committed to enhancing a national program of business ownership, growth and expansion among the African Diaspora.

Unfortunately, as with the debate between Dr. Washington and Dr. W.E.B. Dubois, there still remains an intellectual schism; a split among the Black leadership class with regard to achieving the upward, social, political and economic mobility of African Americans specifically, and the African Diaspora generally around the globe.

This schism essentially remains between two rival camps; The Booker T. Washington School of “Black Economic Nationalism” (*business enterprise*) and the W.E.B. Dubois School of the “Talented Tenth (Niagara Movement – Civil Rights Radicals). Analytically, it is a divide between Dubois’ civil rights strategy for equality and Washington’s “cast your bucket where you are” (up from the bootstrap), or what I term *the business enterprise agenda*.⁵

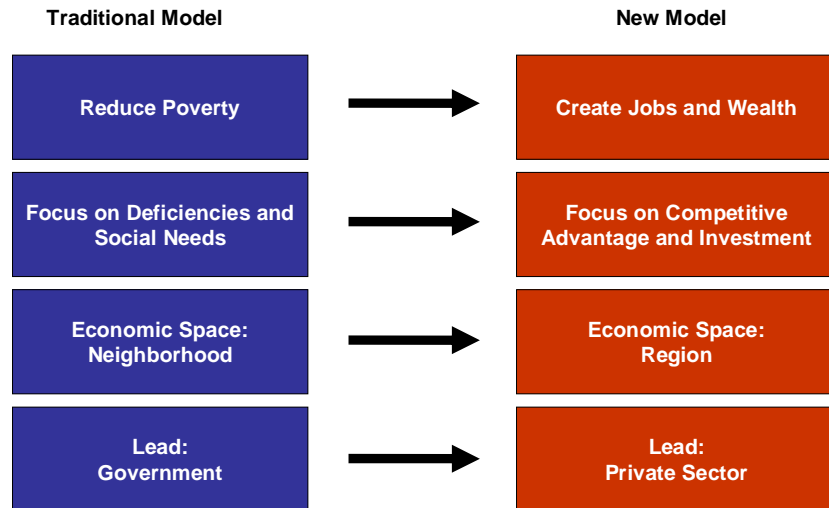
“Tonight, [Tuskegee] I am here to reinvigorate the business enterprise agenda whose historic origins and ancestral roots are here at Tuskegee. Why? Because today “Black Power” is the power of ownership. We must become a people who recommits itself to ownership. One of the main reasons why Black Power has not brought economic clout is because Blacks do not start enough new businesses.⁶ “We have not excelled at the business enterprise model.”

⁵ Dr. Harold Cruse, *The Crisis of the Negro Intellectual*, (William Morrow & Company, Inc., New York 1967, page 18-19).

⁶ Joel Kotkin, *Best of Business Quarterly*, 1988. Note: Reprinted with permission, Inc., Magazine September 1986. Joel Kotkin is also the author of *Tribes*.

The Traditional Model vs. the Enterprise Model⁷

Inner City Economic Revitalization Premises of the New Model



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The re-focus of the Business Enterprise Model means understanding the importance

1. Moving away from reducing poverty to creating jobs and wealth.
2. Focusing on deficiencies and social needs to a focus on competitive advantage and investment.
3. Viewing the boundaries of our economic space from neighborhood to region.
4. Embracing the leadership of business enterprise as the primary domain of the private sector and not the government.

Note: There should be an intelligent relationship between business and government.

⁷ ICIC – Inner City 100, Dr. Michael Porter.

“It’s not the size of the group. It’s the quality of its leadership.”⁸

“We have a Black leadership class dominated by a strategy of *victimization* and reparations at the expense of a strategy of achieving victory through the business enterprise and the creation of wealth. We have a leadership class dominated by those who whine instead of a strategy of leading by winning. It has become “hip” to be *anti-intellectual* in the age of global mass communication and information.”

Comparatively and statistically, we as African Americans in business enterprise are not just behind Whites, but also lag behind Asians and Hispanics. Although our graduation rates are matching Whites, our dropout rate along with Hispanics is unacceptably high. We are on the precipice of either “*Loosing the Race*”⁹ or emerging as a competitive partner in America’s engagement in the global economy. We must resist the dogmas of the past which are used to encapsulate us in a preoccupation of self doubt, pity and under-achievement.

I say again, tonight in Detroit, we must seek a new beginning, learning the lessons from the past and building on the strength of our successes. The new approach of which I speak reaches back to Dr. Washington and the notion of establishing strategic *fundamental advantage* for the participation across the economic spectrum of the worldwide economy. Yet regretfully, today “the important influence of Booker T. Washington’s philosophy on the importance of *Black economic nationalism* has not been generally acknowledged.”¹⁰ We must re-introduce the competitive wisdom of Dr. Booker T. Washington, to yet another generation of Americans (especially African Americans) if we are to engage in the 21st Century global economy.

Therefore, the National Business League must re-emerge and re-establish itself as one of America’s *premier* business organizations. We all owe that to Dr. Washington. We also owe Dr. W.E.B. Dubois a re-dedication to be the best

⁸ Dr. Martin Kilson, Professor, Harvard University, Cambridge, Massachusetts, Spring 1991. Lectures

⁹ John McWhorter, *Losing the Race: Self –Sabotage in Black America*, (Perennial, New York, 2000)

¹⁰ Ibid. Cruse, at page 21.

scholars in the world, more than the Talented Tenth; we must strive to be “*The Talented.*”

If we can accomplish superior performance in sports and entertainment, we can accomplish it in scholarly pursuits and business enterprise endeavors. As I noted in Tuskegee, “our heroes should not be limited or focused on athletes or entertainers, but those individuals, families and communities who create jobs, encourage wealth creation and invest in our children’s future.”

Today there is a national shortage of skilled labor. Education or apprentice training in the trades should be a strategic priority. It is not an “either/or” proposition. It is not a zero sum gain. We must, as Dr. Ray noted (in Tuskegee during lunch), combine the two strategies.

“Let us prove once again to a doubting world and to ourselves, that we have the “right stuff.” Let us demonstrate by our deeds, not our rhetoric, that we have the skill and courage to reach out to Native peoples, Hispanics, Asians and others from distant lands and faraway shores. Let us of many hues and nationalities inform the doubters that “we too speak American.”¹¹

THE SCRIPTURES

The Scriptures say to whom much is given, much is expected. We of the African Diaspora must again find our way in the 21st Century. We have so much in wealth and knowledge as compared to much of the African Diaspora around the world.

We live in a nation to which we have forged our blood and sweat to make a better nation. Our legacy is of a people made strong by struggle, to whom God has given power and might and has increased our strength to “faint not.”

We are the descendants of those in **Isaiah 40-31**, “...*who wait upon the Lord, shall renew their strength: they shall mount up with wings as eagles; they shall run, and not be weary: and they shall walk and not faint.*” **We must pursue excellence in our execution.**

¹¹ From Langston Hughes,

From **Galatians 6:9** we are taught, “...*and let us not be weary in well doing: for in due season we shall reap, if we faint not*”. We must not falter.

From **Ecclesiastes 3:1**: “To everything there is a season, a time to every purpose under the heaven.” This is our time.

We must engage the challenges of the 21st Century and the global economy. In **II Corinthians 4:8-9**, we hear the voice of Paul in his letter to the Corinthians who were struggling; weary, often afraid of an unknown future note that:

“We are troubled on every side, yet not distressed.
We are perplexed, but not in despair.
Persecuted but not forsaken;
Cast down but not destroyed.”

Isn't that a wonderful message? Is this not a message which resonates yet today? We must not be distressed.

Let us remember the lesson and strength of the poem ***Invictus*** by William Ernest Henley:

Out of the night that covers me
Black as a pit from poll to poll
I thank what ever Gods may be for my unconquerable soul.

In the fell clutch of circumstance
I have not winced or cried aloud.
Under the bludgeoning of chance
My head is bloody but unbowed.

Beyond this place of wrath and tears
Looms but the horror of the shade, and
Yet the menace of the years finds and finds me unafraid.

It matters not how straight the gate, how
Charged with punishment the scroll, I am the captain of my fate, I am the
captain of my soul.

We must guard against those who seek to steal our strength by causing us to doubt our faith in each other. Remember “be not deceived, God is not

mocked. For whatever a man soweth, that shall he also reap.” (**Galatians 6-7**).
We must sow good seeds.

Conclusion

Let there be no doubt in anyone’s mind . . . “*the success or failure of minority-owned businesses will increasingly drive the success or failure of the overall U.S. economy.*”¹² That is why the MBDA has deemed MBEs as **the** national priority. We are committed to assisting MBEs in taking charge of their destiny and realizing their dreams. I am here to build a relationship with the National Business League. I want to see the National Business League re-emerge as one of the preeminent Business Enterprise organizations in America.

As I close, let me remind you of our past. It is yet another day’s journey in our historic legacy. We have come too far from where we started. Nobody told us the road would be easy. Yet, still we rise¹³. *He* has brought us too far along the way to leave us now. There is much yet to accomplish. We must continue to choose the road less traveled,¹⁴ for we have promises to keep and miles to go before we sleep.¹⁵ We are no-ways tired¹⁶. “Let us march on until victory is won.”¹⁷

On behalf of the President of the United States and the U. S. Secretary of Commerce Carlos M Gutierrez, may God bless you. Thank you.

[Revised from the **Tuskegee Speech**, October 2004, Tuskegee University, Tuskegee, Alabama, by Ronald N. Langston, National Director, 8-15-05, and 10-19-06].

¹² Ibid. *The Life Cycle of a Minority-Owned Business: Implication for the American Economy*, Dr. Matthew Slaughter, Tuck School of Business.

¹³ Reference to *Still I Rise*, by Mayou Angelou

¹⁴ Robert Frost, *The Road Less Traveled*

¹⁵ Robert Frost, *Stopping by Woods on a Snowy Evening*.

¹⁶ Negro Spiritual, *I Feels No-Ways Tired*, James Cleveland.

¹⁷ Words from *Lift Every Voice And Sing* -